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1961

ANNUAL

REPORT

# Prairie Oil Royalties

COMPANY, LTD.



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ANNUAL  
REPORT

Prairie Oil Royalties

COMPANY, LTD.

# PRAIRIE OIL ROYALTIES COMPANY, LTD.

## To the Shareholders:

The Board of Directors of Prairie Oil Royalties Company, Ltd. is pleased to submit herewith the Company's Annual Report for the year ended June 30, 1961. Included in this Report are audited financial statements as of the year's end, a statement of net proven oil reserves as calculated by an independent consulting firm, and a discussion of the Company's activities during the past year.

The sale of the Company's royalty and mineral interests in the "Freeholders Pool" in Southeastern Saskatchewan, as approved by the Shareholders on March 8, 1961, has been successfully concluded with the cash consideration of \$2,000,000 having been received in full. Included in this transaction were a 3¾% royalty interest in 6,419 acres of producing lands and a 30% mineral or 3¾% royalty interest in 540,761 non-producing acres. The Company's managers estimated that Prairie's net share of producing royalty and undeveloped mineral interest oil reserves thereby disposed of was 197,000 and 202,000 barrels respectively. The Company's income from these properties for the six month period ending December 31, 1960, the effective date of sale, was approximately \$30,000.

Because the sale consideration for the "Freeholders Pool" interests was appreciably larger than the purchase price, the Company, prior to accepting the offer, obtained a letter from the Deputy Minister of National Revenue (Taxation), Ottawa, to the effect that in the opinion of the Department the gain which arose from the sale would not be required to be included in computing income of the Company subject to tax.

The Company's working capital position is now very satisfactory with current assets exceeding liabilities by \$1,707,245. There have been no material changes since year end. As will be seen by examination of the Company's Balance Sheet, funds not required for current operations have been invested in short term securities. The management continues to explore suitable avenues of investment for these funds.

During the year under review development drilling operations on the Company's royalty lands declined reflecting a general reduction in activity in the Province of Saskatchewan. Twenty-nine oil wells were completed compared to 42 during the previous year. Most of this development took place in the medium gravity producing fields of Southeastern Saskatchewan. Two discoveries were made by Ambassador Oil Corporation on acreage in which the Company holds a 5% gross overriding royalty. The details of the Ambassador farmout, covering 50,010 acres, were outlined in the 1960 Annual Report.



In late 1960 the Company, together with Devon-Palmer Oils Ltd. as to a 25% working interest, drilled a successful oil well in the Midale field. A continuous review of the Company's other properties is being maintained with the view to making further investments in development operations should suitable opportunities arise.

Early in 1960 Ambassador Oil Corporation advised the Company of its intention to surrender approximately 30,000 acres of Crown leases. In addition, Shell Oil Company of Canada, Limited gave notice of its intention to surrender 14,000 acres. The Company was able to farm out the above leases to Texaco Exploration Company, retaining a 2½% gross override. Under the terms of the farmout Texaco was required to pay the annual rentals and is to drill a test well on or offsetting the acreage within one year.

Immediately before the year's end the Company, together with Devon-Palmer Oils Ltd., undertook a farmout from Pan American Petroleum Corporation in the Lesser Slave Lake area of Alberta. The test well drilled pursuant to this farmout was subsequently abandoned after failing to encounter oil or gas production. The Company through its participation earned 896 net acres of Crown leases.

Activities in the Fort Nelson area of British Columbia continue to be interesting and encouraging. The Company participates in this promising exploratory play through a shareholding in British Columbia Oil Lands Ltd. (Non-Personal Liability). During the period under review Prairie increased its shareholdings in British Columbia Oil Lands Ltd. to 205,161 shares, representing approximately 24½% of the issued capital of that company. A detailed discussion of the activities as they relate to the land holdings of British Columbia Oil Lands Ltd. is presented in this Report for the benefit of our Shareholders.

Over the past year several meetings with the Saskatchewan Mineral Contracts Renegotiation Board were attended by representatives of the Company. The Board is now prepared to recommend Prairie's basis for settlement to each of the five mineral owners who submitted complaints with respect to their mineral and option agreements with the Company. The Company's managers are continuing to pursue the final settlement of these disputes with the view to clearing up these matters at the earliest possible time.

Revenue from crude oil sales for the year was \$272,593 exceeding that of the previous year by nine percent notwithstanding the Company's sale of a portion of its producing properties at midyear. Aggregate revenue from all sources showed an increase of 14 percent. Income before deduction of exploration costs and non-cash items was \$213,546 compared to \$144,065 for the year ended June 30, 1960.

Respectfully submitted on behalf of the Board.

September 1, 1961.

John B. Aird,  
*President.*

# PRAIRIE OIL ROYALTIES COMPANY, LTD.

## Balance Sheet

### ASSETS

#### CURRENT ASSETS

	<u>1961</u>	<u>1960</u>
Cash . . . . .	\$ 45,406	\$ —
Deposit receipt . . . . .	1,700,000	—
Accounts receivable . . . . .	39,355	81,567
	<u>1,784,761</u>	<u>81,567</u>

#### INVESTMENT, at cost

Shares of British Columbia Oil Lands Ltd. (Shares held, 1961—205,161, 1960—191,561, with market values of \$2,051,610, and \$2,250,842 respectively) . . . . .	1,010,594	813,281
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#### CAPITAL ASSETS, at cost (Note 1)

Producing properties, less accumulated depletion . . . . .	95,685	126,562
Non-producing properties . . . . .	777,904	1,648,255
Production equipment, less accumulated depreciation . . . . .	13,657	—
	<u>887,246</u>	<u>1,774,817</u>

Signed on behalf of the Board

JOHN B. AIRD, Director

ROSS H. FAULKNER, Director

<u>\$3,682,601</u>	<u>\$2,669,665</u>
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*The accompanying notes are part of the financial statements.*

# PRAIRIE OIL ROYALTIES COMPANY, LTD.

at June 30, 1961

## LIABILITIES

### CURRENT LIABILITIES

	<u>1961</u>	<u>1960</u>
Bank overdraft, secured . . . . .	\$ —	\$ 92,203
Accounts payable . . . . .	60,516	88,821
Income tax . . . . .	17,000	3,600
	<u>77,516</u>	<u>184,624</u>

## SHAREHOLDERS' EQUITY

### CAPITAL STOCK

Authorized —2,500,000 shares of \$1.00 each		
Outstanding—1,812,775 shares . . . . .	1,812,775	1,812,775
CONTRIBUTED SURPLUS . . . . .	400,684	400,684
RETAINED EARNINGS . . . . .	1,391,626	271,582
	<u>3,605,085</u>	<u>2,485,041</u>

<u>\$3,682,601</u>	<u>\$2,669,665</u>
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# PRAIRIE OIL ROYALTIES COMPANY, LTD.

## Statement of Income

FOR THE YEAR ENDED JUNE 30, 1961

REVENUE	1961	1960
Royalty income and sales of crude oil . . . . .	\$272,593	\$250,151
Interest (net) . . . . .	12,726	(1,398)
Sundry . . . . .	1,385	2,192
	<hr/>	<hr/>
	286,704	250,945
 EXPENSES		
Management fees . . . . .	23,916	23,294
Audit and accounting fees . . . . .	11,083	2,475
Trust company fees and expenses . . . . .	10,835	7,384
Office and miscellaneous . . . . .	9,034	4,609
Lease rentals and mineral taxes . . . . .	7,493	51,178
Legal fees and expenses . . . . .	4,264	16,437
Production expenses . . . . .	3,538	—
Directors' fees . . . . .	1,600	1,092
Engineering and geological fees . . . . .	1,395	411
	<hr/>	<hr/>
	73,158	106,880
Income before the following items . . . . .	213,546	144,065
DEDUCT or (add)		
Dry hole costs . . . . .	52,568	—
Unproductive properties surrendered . . . . .	30,998	17,013
Depletion . . . . .	19,140	18,878
Depreciation . . . . .	816	—
Sale of leases . . . . .	—	(50,010)
	<hr/>	<hr/>
Income before income tax . . . . .	110,024	158,184
Income tax . . . . .	17,000	3,600
	<hr/>	<hr/>
NET INCOME FOR THE YEAR . . . . .	\$ 93,024	\$154,584
	<hr/>	<hr/>

## Statement of Retained Earnings

FOR THE YEAR ENDED JUNE 30, 1961

	1961	1960
Balance at beginning of year . . . . .	\$ 271,582	\$ 16,557
Add		
Net income for the year . . . . .	93,024	154,584
Profit from sale of royalty and property interests to Freeholders Oil Company Limited (Note 4) . . . . .	1,057,420	
Net royalty income and interest received pertaining to previous years less depletion and unproductive properties surrendered . .		100,441
	<hr/>	<hr/>
	1,422,026	271,582
Deduct		
Adjustment in respect of previous years' income tax (Note 2) . .	30,400	
	<hr/>	<hr/>
Balance at end of year . . . . .	\$1,391,626	\$ 271,582
	<hr/>	<hr/>



# PRAIRIE OIL ROYALTIES COMPANY, LTD.

## Explanatory Notes to Financial Statements

JUNE 30, 1961

### 1. ACCOUNTING POLICY

Acquisition and exploration costs of properties are capitalized as incurred. Cost of producing properties are depleted on the unit of production method based upon estimated recoverable reserves as determined by the Company's engineering representatives. Costs are written off as properties are determined to be unproductive.

### 2. INCOME TAX

Income tax for the year ended June 30, 1961 has been determined after deducting drilling and exploration costs capitalized in the accounts but deductible for income tax purposes.

During the year the company was assessed \$34,000 in respect of previous years' income up to June 30, 1960. Of this amount \$3,600 had been provided for in the 1960 accounts, and the remaining \$30,400 has been charged against retained earnings in the current year.

### 3. CAPITAL STOCK

Options are outstanding entitling the holders to purchase shares of the capital stock of the Company as follows:

Stock options exercisable at the rate of \$2.00 per share in U.S. funds on or after the dates indicated below and expiring October 31, 1961.

	Shares
November 1, 1955	2,800
November 1, 1956	3,500
November 1, 1957	3,500
November 1, 1958	3,500
November 1, 1959	3,500
November 1, 1960	3,500
October 1, 1961	4,000
	<hr/>
	24,300
Stock option warrants exercisable at the rate of \$1.25 per share in U.S. funds on or prior to April 5, 1962	<hr/>
	63,745
	<hr/>
	88,045

### 4. SALE OF PROPERTY

The Company's interest in mineral properties in Saskatchewan which had been held jointly with Freeholders Oil Company Limited was sold to that company during the year for \$2,000,000 in cash, resulting in a capital gain of \$1,057,420 after deducting the net cost of the property and related legal and selling expenses.

### 5. STATUTORY INFORMATION

Legal fees paid during the year amounted to \$30,126.

## AUDITORS' REPORT TO THE SHAREHOLDERS

PRAIRIE OIL ROYALTIES COMPANY, LTD., CALGARY, ALBERTA.

We have examined the balance sheet of Prairie Oil Royalties Company, Ltd. as at June 30, 1961 and the related statements of income and retained earnings for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the company, the accompanying balance sheet and related statements of income and retained earnings are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at June 30, 1961 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Calgary, Alberta.  
September 15, 1961.

TOUCHE, ROSS, BAILEY and SMART,  
Chartered Accountants.

## Development

A total of thirty oil wells were completed on Prairie acreage interests in Southeastern Saskatchewan during the past year. These completions were located in the Midale, Weyburn and Benson fields and in the Stoughton and Innes areas. With one exception all wells were located on acreage in which Prairie holds overriding royalty interests of either 2½% or 5%. In the Midale area, Prairie, in partnership with another company, completed one well on a Company owned lease. Prairie holds a 75% working interest in this well, and in addition has an overriding royalty. This well is now producing at its market allowable of approximately 35 barrels per day.

Two discoveries were made on acreage farmed out to Ambassador Oil Corporation, in which Prairie retained a 5% overriding royalty. These were located in the East Midale and Stoughton areas. It is expected that the Stoughton pool located ten miles northeast of the Midale field will be further developed by Ambassador in the coming year.

During the past year development drilling in Saskatchewan was concentrated in the area between Weyburn and Midale where twenty-two oil wells were completed on Prairie's royalty interest lands. In addition, four oil completions were made in the Benson field and one in the Innes area, seven miles north of Midale. Subsequent to the discovery at Stoughton, one follow-up development well was drilled.

There was no development activity on Prairie acreage in Southwestern Saskatchewan during the period under review.

## Production

Net oil sales during the year averaged 429 barrels per day compared to 418 barrels per day for the previous year. The increased production from new wells, together with an improved marketing picture for Southeastern Saskatchewan medium gravity fields has, during the past year, more than offset the sale of production included in the disposal of the "Freeholders Pool" interests.

## Reserves

Remaining net recoverable oil reserves as of June 30, 1961 were 1,033,000 barrels, as calculated by J. C. Sproule and Associates Ltd., Calgary. This represents a reduction of 228,000 barrels from the previous year's end which can, for the major part, be directly attributed to the sale of the Company's interest in the "Freeholders Pool."

## Land and Exploration SASKATCHEWAN

The major development affecting the Company's land holdings was the sale of interests in the "Freeholders Pool." Prairie sold to Freeholders Oil Company its 30% mineral or 3¾% royalty interest in 540,761 acres of non-producing and its 3¾% royalty interest in 6,419 acres of producing freehold lands in Saskatchewan. The non-producing acreage was located throughout various portions in Southeastern Saskatchewan. The producing properties were located in the Carnduff, Gainsborough, Midale, Nottingham, Parkman, Steelman, Weyburn and Willmar fields.

Ambassador Oil Corporation under its agreement with Prairie, drilled a total of four explora-



tory wells on or offsetting Prairie acreage during the past year. As discussed previously, this drilling resulted in oil discoveries at East Midale and Stoughton. On completion of this program Ambassador relinquished its interest in 30,000 acres of farmout lands retaining approximately 20,000 acres.

The lands returned by Ambassador were then farmed out to Texaco Exploration Company reserving a 2½% overriding royalty to Prairie. Texaco has agreed to drill a well on or offsetting this acreage prior to March 30, 1962. A further 14,000 acres surrendered by Shell Oil Company in this area were also farmed out to Texaco under the same agreement.

In February 1961, Shell and French Petroleum notified Prairie of their intention to surrender a total of 172,000 acres immediately north of the International Boundary and south of the Midale-Weyburn area. After attempts by Prairie to farm out this acreage proved unsuccessful, the Company joined in the surrender.

A farmout requiring the drilling of a well in the coming year was made on an 80 acre tract adjoining the Weyburn field. Prairie reserved a 7½% gross override with the election to convert to a 20% net royalty interest after payout.

During the past year, no drilling was carried out on Prairie land holdings in Western Saskatchewan. Prairie's interest in the general Fosterton-Gull Lake area now comprise a 1¼% royalty interest in 257,126 acres. This is a decrease of approximately 90,000 acres from holdings of 1960.

## MANITOBA

Prairie holds a 50% interest in the titles covering an undivided one-half interest in mines and minerals on a total of 124,151 acres in South-

western Manitoba. A portion of this acreage is under lease to other operating companies with Prairie and its partners holding a royalty interest therein.

## NORTHWEST TERRITORIES

Prairie has a 3.7% interest in 1,248,957 acres of permit lands located west of Great Slave Lake. A small overriding royalty is held on a further 186,084 acres farmed out to Shell Oil Company. This acreage is contained in the James C. Wilkinson Nominee project which was formerly known as the D. Todd Briggs project. During the past year four wells were drilled and abandoned on the acreage and 527,311 acres were surrendered. Negotiations are now in progress to farm out portions of the remaining acreage. The retained permits contain two capped Middle Devonian gas wells which were drilled in previous years.

There has been no new activity affecting Permit 479 (52,960 acres) on which Prairie has a 2½% overriding royalty.

## ARCTIC ISLANDS

Prairie has, by virtue of its participation in the Pan Arctic Syndicate, an interest equivalent to 11½% in a total of 4,672,000 acres of permit lands in the Arctic Islands. Surface mapping and aerial photographic studies have been carried out over portions of this acreage. Field crews will again be conducting a surface program during the summer of 1961.

A group of companies headed by Dome Petroleum Limited has planned the first exploratory test for the Arctic Islands area. This well, to be located on Melville Island, is expected to spud this fall. The Pan Arctic Syndicate holds approximately 1,100,000 acres on Melville Island, 125 miles north of the proposed test well.

# PRAIRIE OIL ROYALTIES COMPANY, LTD.

## Holdings

AS AT JUNE 30th, 1961

### A. Land

#### SASKATCHEWAN

1. 100 % mineral interest in 3,929 acres of freehold land.
2.  $56\frac{1}{4}$  % mineral interest in 487 acres of freehold land.
3. 50 % mineral interest in 19,753 acres of freehold land.
4.  $12\frac{1}{2}$  % gross royalty interest in 960 acres of freehold land.
5.  $6\frac{1}{4}$  % gross royalty interest in 28,399 acres of freehold land.
6.  $3\text{-}1/8$  % gross royalty interest in 640 acres of freehold land.
7. 2 % gross royalty interest in 160 acres of freehold land.
8.  $7\frac{1}{2}$  % gross overriding royalty interest in 320 acres of Crown petroleum and natural gas lease lands in the Midale-Benson area.
9. 5 % gross overriding royalty interest in 19,766 acres of Crown petroleum and natural gas lease lands in the Estevan-Midale area.
10.  $2\frac{1}{2}$  % gross overriding royalty interest in 248,130 acres of Crown petroleum and natural gas lease lands in the Estevan-Midale area.
11.  $1\frac{1}{4}$  % gross overriding royalty interest in 257,126 acres of Crown petroleum and natural gas lease lands in the Fosterton-Gull Lake area.
12. 100 % interest in 1,637 net acres of freehold petroleum and natural gas leases.
13. 100 % interest in 80 acres of Crown petroleum and natural gas lease lands in the Weyburn field.
14. 75 % interest in 160 acres of Crown petroleum and natural gas lease lands in the Midale field.
15. 10 % net carried interest in 160 acres of freehold petroleum and natural gas lease lands.
16. .625 of 1% gross overriding royalty interest in 160 acres of Crown petroleum and natural gas lease lands in the Midale field.

#### MANITOBA

1. 50 % interest in a  $6\frac{1}{4}$ % gross royalty interest in 124,151 acres of freehold land.
2.  $6\frac{1}{4}$  % gross royalty interest in 6,422 acres of freehold land.
3. 50 % mineral interest in 4,320 acres of freehold land.

#### NORTHWEST TERRITORIES

1.  $2\frac{1}{2}$  % gross overriding royalty interest in Crown petroleum and natural gas Permit No. 479 containing approximately 52,960 acres.
2. 3.7131 % ownership interest in petroleum and natural gas Permits numbered 880, 886 to 888 inclusive, 892 to 900 inclusive, 902 to 910 inclusive, 921, 923, 924, 933 to 937 inclusive, 1526 and 1527, aggregating approximately 1,248,957 acres, in the southwestern portion of the Territories in the Upper Mackenzie District, south of Fort Simpson and Fort Providence and centred 70 miles west of Great Slave Lake.
3. 3.7131 % of 4% gross overriding royalty interest in petroleum and natural gas Permits 890, 891 and 901 containing approximately 186,084 acres.

#### ARCTIC ISLANDS

1. An interest equivalent to 11.5% in a total of 4,672,000 acres of permit lands in the Arctic Islands.

### B. Other Companies

#### BRITISH COLUMBIA OIL LANDS LTD. (Non-Personal Liability)

1. 205,161 shares of British Columbia Oil Lands Ltd., an exploration company, which, on March 31, 1961, held an interest in approximately 2,051,786 acres of Crown petroleum and natural gas permit lands in northeastern British Columbia. British Columbia Oil Lands Ltd. also holds a 50% beneficial interest in 129,000 acres of leases and option lands in the Bristol Bay and Bethel Basin regions of Alaska, and a  $1\text{-}1/8$ % gross overriding royalty on 11,000 acres of option lands in the Napatuk Creek Development Contract, located in the Bethel Basin. In addition, the Company has an interest equivalent to 11.5% in a total of 4,672,000 acres of permit lands in the Arctic Islands.



# PRAIRIE OIL ROYALTIES COMPANY, LTD.

## BRITISH COLUMBIA OIL LANDS LTD. (Non-Personal Liability)

Prairie holds 205,161 shares of British Columbia Oil Lands Ltd. representing 24½% of the issued capital of that company. British Columbia Oil Lands Ltd. has interests in the Province of British Columbia, the Arctic Islands and the State of Alaska.

Following is a discussion of recent activities on and offsetting these holdings.

### BRITISH COLUMBIA

Land holdings as reported by British Columbia Oil Lands Ltd. in its 1961 Annual Report are as follows:

ACREAGE	B.C.O.L. INTEREST	DISPOSITION OF LANDS
454,783	25% carried	Farmed to Western Natural Gas Company, Inc., El Paso Natural Gas Company and General American Oil Company
1,474,437	12½% carried	Farmed to Pan American Petroleum Corporation
92,160	25% carried	Farmed to Pan American Petroleum Corporation
30,406	15% working	Farmed to Pan American Petroleum Corporation

Four new wells were drilled, one suspended well was deepened and another re-tested on British Columbia Oil Lands Ltd. acreage during the past year. This program resulted in one gas discovery and an increased pay zone for the deepened well. Four wells were abandoned.

Two exploratory wells were drilled in the Kotcho Lake area on lands farmed out to Western Natural Gas. One well, Western Natural Kathy b-30-F, was completed as a Slave Point gas well with an absolute open flow potential of 148 million cubic feet per day. The second well was abandoned. British Columbia Oil Lands Ltd. has a 25% carried interest in the lands farmed out to Western Natural Gas and partners.

Two exploratory wells were drilled, one well deepened and one well re-tested on lands farmed out to Pan American Petroleum Corporation. In the Komie area, Pan American deepened Pan Am Komie A-1 and completed this well as a Slave Point gas well with an absolute open flow potential of forty-eight million cubic feet per day. An exploratory well, located four miles southwest of the discovery, was abandoned after failing to encounter any Slave Point reef. British Columbia Oil Lands Ltd. holds a 12½% carried working interest in Permit 309 on which the Komie wells were drilled.

In the Petitot River area, Pan American drilled and abandoned Pan Am Dilly a-27-K on Permit 1159. British Columbia Oil Lands Ltd. holds a 15% working interest in this permit which was farmed out to Pan American in the spring of 1960. The above noted well and one additional well, scheduled for the 1961-62 season, are being drilled free of cost to British Columbia Oil Lands Ltd.

In the Deer Lake area in which British Columbia Oil Lands Ltd. holds a 25% carried working interest, Pan American undertook further testing on Pan Am A-1 Deer Lake a-90-I, a well which had previously given gas from the Middle Devonian. However, the well proved non-commercial and was abandoned.

Drilling by other companies in the vicinity of holdings of British Columbia Oil Lands Ltd. resulted in one Slave Point gas discovery (NFA Tsea b-68-I) and one Mississippian gas discovery (NFA Judy c-53-D). Both these discoveries lie within four miles of British Columbia Oil Lands Ltd. holdings.

The construction of proposed pipeline facilities to provide a market outlet for Ft. Nelson area gas production now awaits the prerequisite development of gas reserves and expansion of U.S. export markets. Gas Trunk Line of British Columbia Ltd., a company sponsored by Pacific Petroleum Ltd., has been formed to construct, own and operate the proposed facilities.

### ARCTIC ISLANDS

British Columbia Oil Lands Ltd. by virtue of its participation in the Pan Arctic Syndicate, discussed in a previous section of this report, holds an interest equivalent to 11½% in 4,672,000 acres of permits in the Arctic Islands.

### ALASKA

British Columbia Oil Lands Ltd. holds a 50% beneficial interest in 129,000 acres of leases and option lands in the Bristol Bay and Bethel Basin areas of Alaska and a 1-1/8% gross overriding royalty on 11,000 acres in the Napatuk Creek Development Contract located in the Bethel Basin.

# MIDALE — BENSON AREA

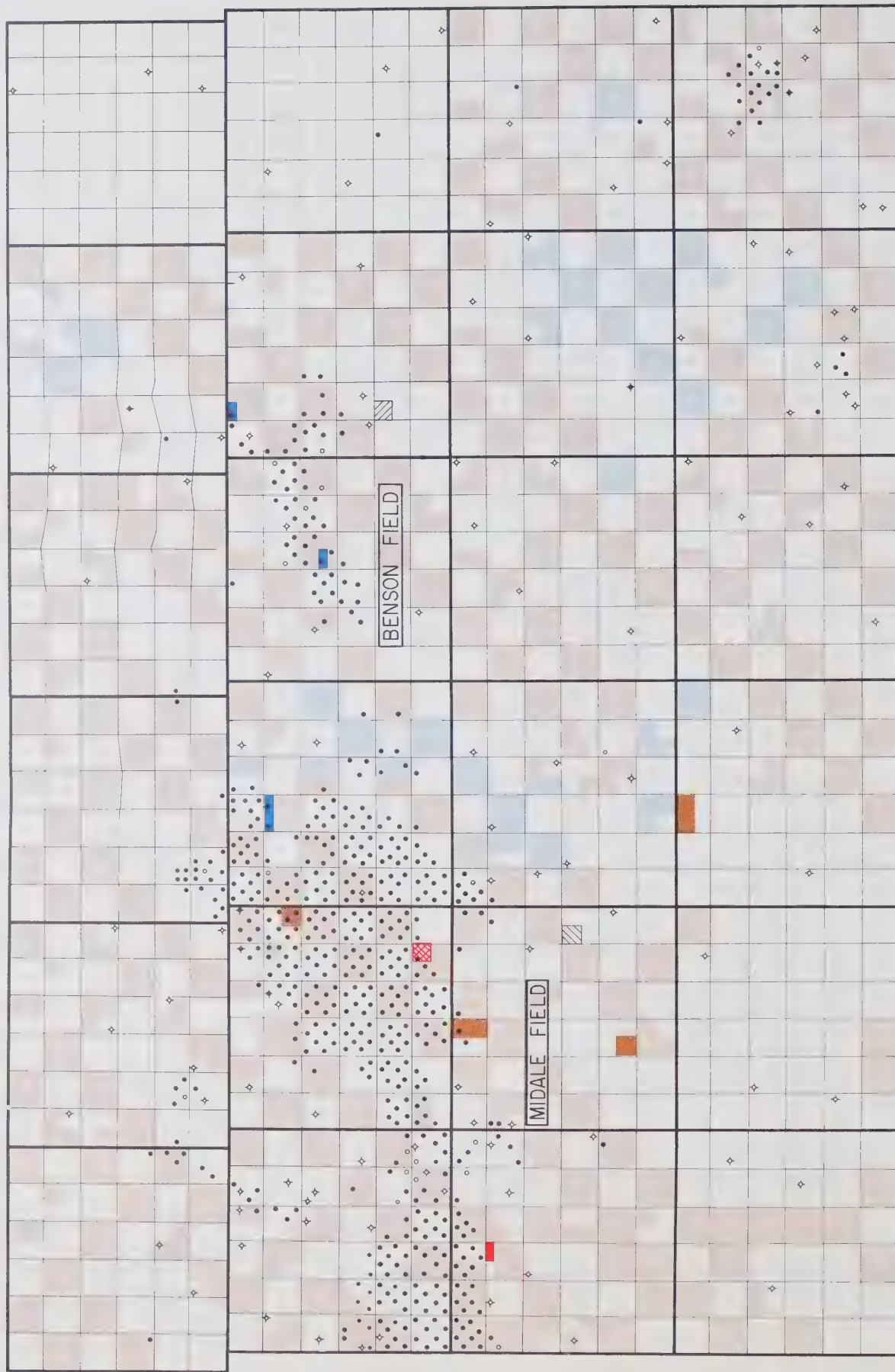
R. 12 R. 11 R. 10 R. 9 R. 8 R. 7 W. 2.M.

T. 7

T. 6

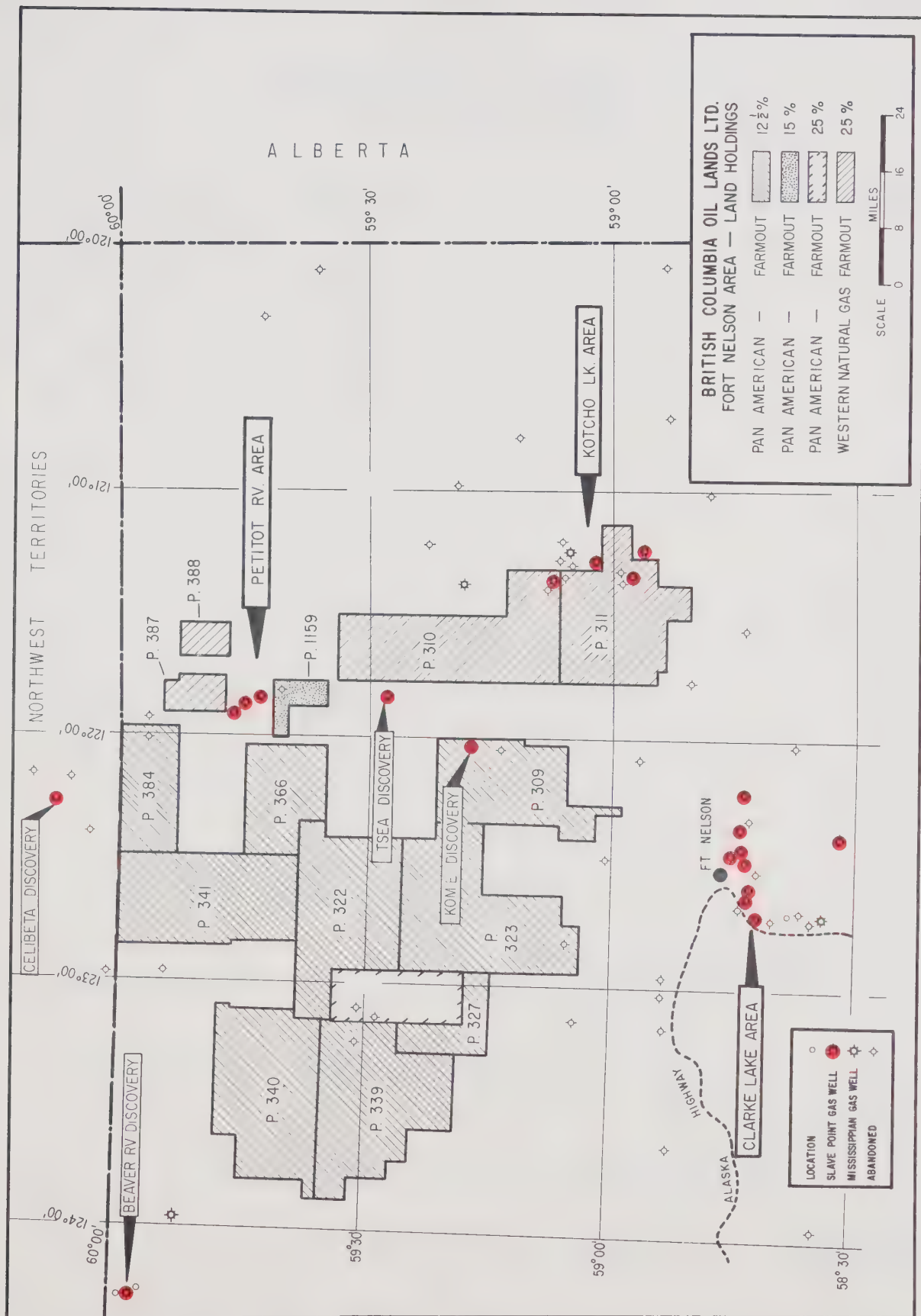
T. 5

T. 4.



- |   |  |  |
|---|--|--|
| <div style="display: inline-block; width: 15px; height: 10px; border: 1px solid black; background-color: white;"></div> 2½ % GROSS OVERRIDING ROYALTY   | <div style="display: inline-block; width: 15px; height: 10px; background-color: blue;"></div> 7½ % GROSS OVERRIDING ROYALTY  | <div style="display: inline-block; width: 10px; height: 10px; border: 1px solid black; border-radius: 50%;"></div> LOCATION OR DRILLING  |
| <div style="display: inline-block; width: 15px; height: 10px; border: 1px solid black; background: repeating-linear-gradient(45deg, transparent, transparent 2px, black 2px, black 4px);"></div> 3½ % GROSS ROYALTY | <div style="display: inline-block; width: 15px; height: 10px; background: repeating-linear-gradient(-45deg, transparent, transparent 2px, black 2px, black 4px);"></div> 75 % CROWN LEASE (plus .625% of 75% O.R.R.) | <div style="display: inline-block; width: 10px; height: 10px; border: 1px solid black; border-radius: 50%; background-color: black;"></div> OIL WELL                                 |
| <div style="display: inline-block; width: 15px; height: 10px; border: 1px solid black; background-color: lightblue;"></div> 5 % GROSS OVERRIDING ROYALTY  | <div style="display: inline-block; width: 15px; height: 10px; background-color: red;"></div> 100 % CROWN LEASE   | <div style="display: inline-block; width: 10px; height: 10px; border: 1px solid black; border-radius: 50%; background-color: white;"></div> ABANDONED                                |
| <div style="display: inline-block; width: 15px; height: 10px; background-color: orange;"></div> 6¼ % GROSS ROYALTY  | <div style="display: inline-block; width: 15px; height: 10px; background: repeating-linear-gradient(45deg, transparent, transparent 2px, black 2px, black 4px);"></div> 100 % MINERAL INTEREST                       | <div style="display: inline-block; width: 10px; height: 10px; border: 1px solid black; border-radius: 50%; background-color: white; border-style: dashed;"></div> ABANDONED OIL WELL |





# PRAIRIE OIL ROYALTIES COMPANY, LTD.

## ANNUAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 1961

### BOARD OF DIRECTORS:

JOHN B. AIRD	Toronto, Ontario
JACK COLES	New York, New York
ROSS H. FAULKNER	New York, New York
BENJAMIN HEFFNER	New York, New York
JOSEPH H. HIRSHHORN	Toronto, Ontario
ROGER JEANTY	Toronto, Ontario
M. A. MACPHERSON	Regina, Saskatchewan
WINFIELD H. PERDUN	New York, New York
R. R. RUSMISEL	New York, New York

### OFFICERS:

JOHN B. AIRD	President & Treasurer
D. M. TYERMAN	Secretary

### HEAD OFFICE:

2236 ALBERT STREET	Regina, Saskatchewan
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### COUNSEL:

MACPHERSON, LESLIE AND TYERMAN	Regina, Saskatchewan
SIMPSON, THACHER AND BARTLETT	New York, New York

### AUDITORS:

TOUCHE, ROSS, BAILEY & SMART	Toronto, Ontario
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### MANAGEMENT:

DEVON-PALMER OILS LTD. (No Personal Liability)	Calgary, Alberta
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### TRANSFER AGENT & REGISTRAR:

THE TORONTO GENERAL TRUSTS CORPORATION	Regina, Saskatchewan
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### CO-TRANSFER AGENT & REGISTRAR:

THE ROYAL TRUST COMPANY	Toronto, Ontario
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### CO-TRANSFER AGENT:

MORGAN GUARANTY TRUST COMPANY OF NEW YORK	New York, New York
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### CO-REGISTRAR:

CHEMICAL BANK NEW YORK TRUST COMPANY	New York, New York
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### STOCK EXCHANGE LISTINGS:

TORONTO STOCK EXCHANGE	Toronto, Ontario
AMERICAN STOCK EXCHANGE	New York, New York













# *Prairie Oil Royalties Company, Ltd.*

2236 Albert Street  
Regina, Saskatchewan  
Canada

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## **NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS** **November 29, 1961.**

TAKE NOTICE that the Annual General Meeting of Shareholders of Prairie Oil Royalties Company, Ltd., will be held at 2236 Albert Street, Regina, Saskatchewan, Canada, on Wednesday, the 29th day of November, 1961, at the hour of two o'clock in the afternoon, for the purpose of receiving and considering the report of the Directors to the Company, the Balance Sheet, Statement of Income, Statement of Retained Earnings, Explanatory Notes to Financial Statement and Auditors' Report for the fiscal year ended June 30, 1961, copies of which are enclosed herewith, electing Directors of the Company, appointing Auditors of the Company, and transacting such other business of the Company as may properly be considered at the meeting.

SHAREHOLDERS of the Company of record at the date of the meeting are entitled to vote at the meeting.

DATED at the City of Regina, in the Province of Saskatchewan this 16th day of October, A.D. 1961.

By Order of the Board of Directors.

PRAIRIE OIL ROYALTIES COMPANY, LTD.

Per: D. M. Tyerman,  
Secretary.



